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**TRANSTERRE EXPLORATIONS LIMITED**

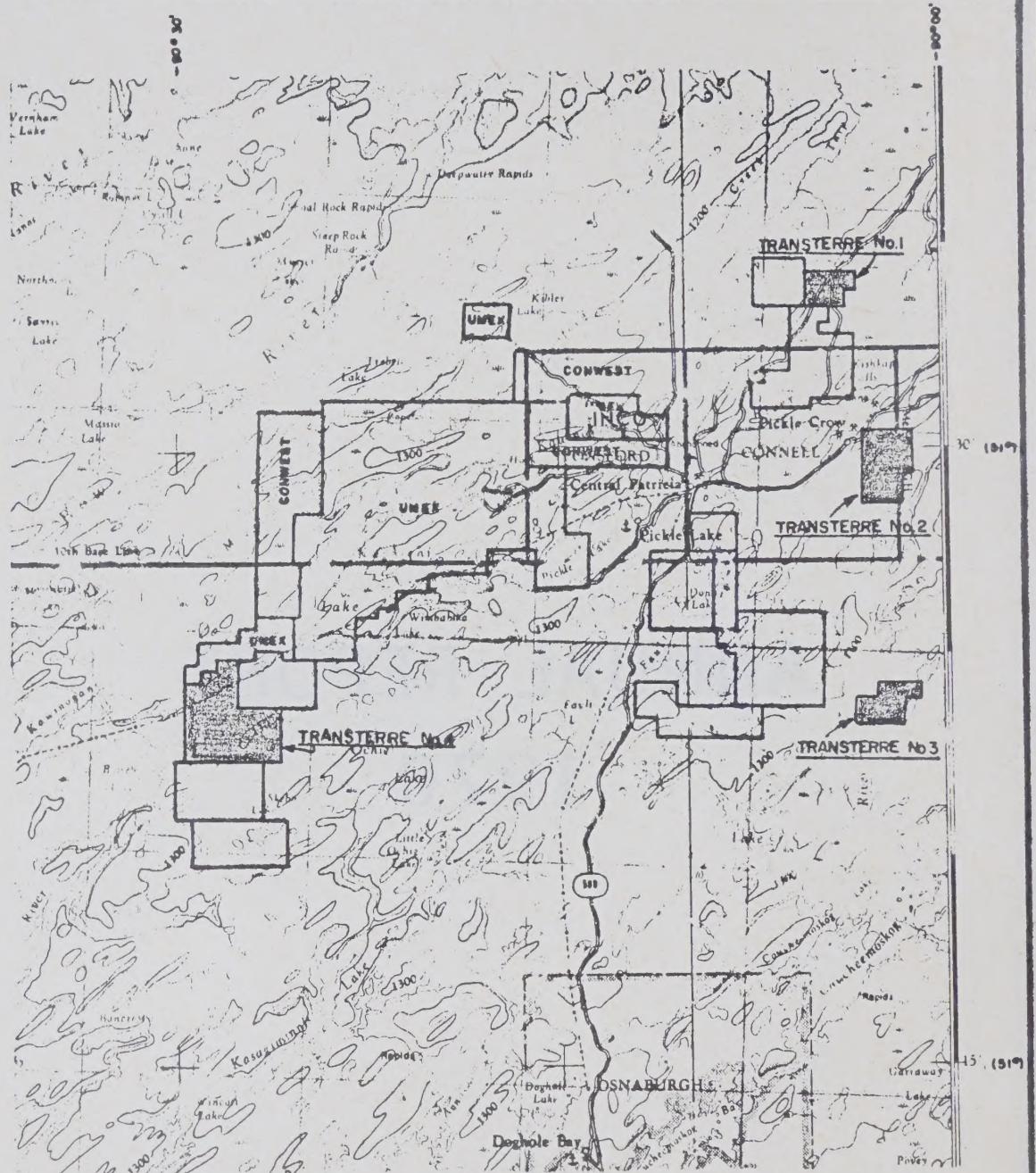
**ANNUAL REPORT**  
**1970**



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ANNUAL REPORT  
1970



SCALE - 1:250,000 (4 Miles)

## LOCATION MAP

# TRANSTERRE EXPLORATIONS LTD.

## KAPKICHI LAKE AREA, PICKLE LAKE, ONTARIO

## PRESIDENT'S REPORT TO THE SHAREHOLDERS

Your Directors take pleasure in submitting the Annual Report of your Company for the year ended December 31, 1970, together with the Auditor's Report and Financial Statements.

During the year your Company staked 172 claims or approximately 6880 acres in the Pickle Lake Camp in Northwestern Ontario currently developing into a major base metal camp.

In his report to the Directors Mr. Herbert Coons B.A.Sc., P. Eng., points out that Union Miniere Société Anonyme of Brussels, Belgium, through its Canadian subsidiary "UMEX" has proven by diamond drilling a multi-million ton "nickel-copper" ore body. The size of this ore body is rapidly expanding with 4 to 5 drills operating on the property. Mr. Coons further states that the Umex programme will be stepped up this summer by increasing the number of drills operating.

The Transterre claims are all located on strong magnetic anomalies, which is a positive indication in this area, since the sulphides are in the fracturing and shearing of the iron formation. In addition several good conductors have been indicated from both airborne and ground electromagnetic surveys.

The Transterre ground is well located with regard to the other major mining companies holding claims in this area, these being Umex, International Nickel, Conwest Explorations and Selco. (See map on opposite page.) Studies for a new townsite are underway with a hundred mile branch of the Canadian National Railways from Savant Lake also proposed.

In view of the favorable geology, an exploration program to start this summer, has been recommended. This will include line cutting, prospecting, mapping, electromagnetic survey and drilling.

Your Directors take this opportunity to express their gratitude for the confidence you have shown and solicit your continued cooperation.

On behalf of the Board of Directors,

SAM HERSCOVITCH,  
President.



## AUDITOR'S REPORT TO THE SHAREHOLDERS

To the Shareholders of  
Transterre Explorations Limited  
(No Personal Liability)

We have examined the Statement of Financial Position of **TRANSTERRE EXPLORATIONS LIMITED (No Personal Liability)** as at December 31, 1970 and the related Schedule of Mining Claims and statement of Deficit, of Deferred Exploration and Development Expenses and of Deferred Administrative Expenses for the year ended on that date, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Company, these financial statements present fairly the state of affairs of the Company as at December 31, 1970 and the results of its operations for the year ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

KENDALL, TRUDEL & CO.  
CHARTERED ACCOUNTANTS

MONTREAL, Canada,  
March 22, 1971

**TRANSTERRE EXPLORATIONS LIMITED**  
 (No Personal Liability)  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 1970**

**ASSETS**

**CURRENT**

|                           |               |               |
|---------------------------|---------------|---------------|
| Cash in bank .....        | 8,684         |               |
| Accounts receivable ..... | <u>45,675</u> |               |
|                           |               | <b>54,359</b> |

**ADVANCES AND DEMAND LOAN  
RECEIVABLE —**

|  |  |        |
|--|--|--------|
| Less provision for uncollectible accounts<br>of \$59,635 ..... |  | 14,631 |
|--|--|--------|

**INVESTMENTS —**

|   |                |                |
|---|----------------|----------------|
| 225,000 Common shares of Senneterre Gold-fields Ltd. held in escrow — at nominal value .....  | 1              |                |
| 41,500 Common shares of Prime Potash Corporation of Canada Limited — at market value .....  | 1,660          |                |
| 533,300 Common shares of Sapawe Gold Mines Limited — at market value .....  | 21,332         |                |
| 6% Floating Charge Debenture of Sapawe Gold Mines Limited — at cost (no market value available and no interest accrued or received to date) ..... | <u>400,000</u> | <b>422,993</b> |

|   |  |               |
|---|--|---------------|
| <b>MINING CLAIMS — per schedule</b> ..... |  | <b>68,972</b> |
|---|--|---------------|

|  |  |                |
|--|--|----------------|
| <b>DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES — per statement</b> ..... |  | <b>298,644</b> |
|--|--|----------------|

|   |  |               |
|---|--|---------------|
| <b>DEFERRED ADMINISTRATIVE EXPENSES — per statement</b> ..... |  | <b>46,414</b> |
|---|--|---------------|

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| <b>FIXED ASSETS (at cost)</b>        |              |              |
| Furniture and fixtures .....         | 12,977       |              |
| Less: Accumulated depreciation ..... | <u>6,333</u> | <b>6,644</b> |

|                                     |  |                  |
|-------------------------------------|--|------------------|
| <b>INCORPORATION EXPENSES</b> ..... |  | <b>1,310</b>     |
|                                     |  | <b>\$913,967</b> |

**AUDITORS' REPORT TO THE SHAREHOLDERS**  
 As per our attached report of today's date.

**TRANSTERRE EXPLORATIONS LIMITED**  
 (No Personal Liability)  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 1970**

**LIABILITIES**

**CURRENT**

|                        |       |
|------------------------|-------|
| Accounts payable ..... | 2,505 |
|------------------------|-------|

**SHAREHOLDERS' EQUITY**

**CAPITAL STOCK**

**Authorized**

|                                |                    |
|--------------------------------|--------------------|
| 5,000,000 Common shares at \$1 | <u>\$5,000,000</u> |
|--------------------------------|--------------------|

**Issued and fully paid**

**For Cash —**

|                                       |                       |
|---------------------------------------|-----------------------|
| 2,583,415 Common shares at \$1        | 2,583,415             |
| <b>Less: Discount on shares .....</b> | <b><u>910,069</u></b> |
|                                       | 1,673,346             |

**For Mining Claims —**

|                                       |                       |
|---------------------------------------|-----------------------|
| 900,000 Common shares at \$1          | 900,000               |
| <b>Less: Discount on shares .....</b> | <b><u>873,000</u></b> |
|                                       | 27,000                |

|                                      |                         |
|--------------------------------------|-------------------------|
| <b>3,483,415 shares issued .....</b> | <b><u>1,700,346</u></b> |
|--------------------------------------|-------------------------|

|                                      |                         |                |
|--------------------------------------|-------------------------|----------------|
| <b>DEFICIT — per statement .....</b> | <b><u>(788,884)</u></b> | <b>911,462</b> |
|--------------------------------------|-------------------------|----------------|

**APPROVED ON BEHALF OF THE BOARD:**

Sam. Herscovitch, director.

Nelson Magny, director.

\$913,967

**TRANSTERRE EXPLORATIONS LIMITED**  
**(No Personal Liability)**

**SCHEDULE OF MINING CLAIMS**  
**AS AT DECEMBER 31, 1970**

**SENNETERRE TOWNSHIP, PROVINCE OF  
QUEBEC**

|   |              |
|---|--------------|
| Four mining claims held under license and<br>acquired for cash .....          | 37,999       |
| Four mining claims held under license and<br>acquired for staking costs ..... | 400          |
| Mining concession on Lots 37 and 38, Rang<br>No. 1 .....                      | <u>3,000</u> |

**PICKLE LAKE AREA, PROVINCE OF  
ONTARIO**

|   |                        |
|---|------------------------|
| One hundred and seventy two unpatented min-<br>ing claims .....     | <u>27,573</u>          |
| <b>TOTAL MINING CLAIMS — acquired for stak-<br/>ing costs .....</b> | <b><u>\$68,972</u></b> |

**TRANSTERRE EXPLORATIONS LIMITED**  
 (No Personal Liability)

**STATEMENT OF DEFICIT**  
**FOR THE YEAR ENDED DECEMBER 31, 1970**

|  |                  |
|--|------------------|
| <b>BALANCE AS AT JANUARY 1, 1970</b>                                       | 502,289          |
| Add: Cost of mining claims abandoned in 1970:                              |                  |
| Senneterre Township, Province of Quebec                                    |                  |
| (1 Claim)  |                  |
| Cost of claim  | 9,500            |
| Exploration and development expenses                                       | <u>33,019</u>    |
|  | 42,519           |
| Coppermine River Area, Mackenzie Mining                                    |                  |
| District, North West Territories   |                  |
| (250 Claims)   |                  |
| Cost of claims   | 60,000           |
| Exploration and development expenses                                       | <u>16,369</u>    |
|  | 76,369           |
| Loss on reduction in market value of investments                           | 12,326           |
| Deferred administrative expenses allocated to abandoned claims written off | <u>155,381</u>   |
| <b>BALANCE AS AT DECEMBER 31, 1970</b>                                     | <b>\$788,884</b> |

**TRANSTERRE EXPLORATIONS LIMITED**  
 (No Personal Liability)

**STATEMENT OF DEFERRED EXPLORATION  
 AND DEVELOPMENT EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 1970**

|  | Total as at<br>December 31,<br>1969 | Additions<br>during the<br>year | Total as at<br>December 31,<br>1970 |
|--|-------------------------------------|---------------------------------|-------------------------------------|
| <b>SENNETERRE TOWNSHIP, PROV-<br/>INCE OF QUEBEC</b>               |                                     |                                 |                                     |
| Diamond drilling .....   | 166,145                             | —                               | 166,145                             |
| Geological Surveys .....   | 69,966                              | —                               | 69,966                              |
| Surface development .....  | 25,802                              | —                               | 25,802                              |
| Camps .....  | 19,581                              | —                               | 19,581                              |
| Staking and taxes .....  | 6,055                               | 1,040                           | 7,095                               |
| Prospecting .....  | 1,072                               | —                               | 1,072                               |
| Trenching .....  | 6,498                               | —                               | 6,498                               |
| Sampling .....   | 5,566                               | —                               | 5,566                               |
| Excavating .....   | 1,666                               | —                               | 1,666                               |
| Assaying .....   | 9,664                               | —                               | 9,664                               |
| Travelling .....   | 8,663                               | —                               | 8,663                               |
| Machinery and equipment .....                                      | 1,216                               | 2,388                           | 3,604                               |
| Office and general .....   | 5,907                               | —                               | 5,907                               |
|  | <u>327,801</u>                      | <u>3,428</u>                    | <u>331,229</u>                      |
| Less: expenses on abandoned claim<br>written off to deficit .....  | —                                   | (33,019)                        | 33,019                              |
|  | <u>327,801</u>                      | <u>(29,591)</u>                 | <u>298,210</u>                      |
| <b>PICKLE LAKE AREA, PROVINCE<br/>OF ONTARIO</b>                   |                                     |                                 |                                     |
| Travelling .....   | 434                                 | 434                             | 434                                 |
|  | <u>434</u>                          | <u>434</u>                      | <u>434</u>                          |
| <b>COPPERMINE RIVER AREA,<br/>NORTH WEST TERRITORY</b>             |                                     |                                 |                                     |
| Geophysical surveys .....  | 608                                 |                                 |                                     |
| Assaying .....   | 5                                   |                                 |                                     |
| Travelling .....   | 814                                 |                                 |                                     |
| Licenses and fees .....  | 142                                 |                                 |                                     |
| Taxes .....  | 963                                 |                                 |                                     |
| Transportation .....   | 3,584                               |                                 |                                     |
| Camps .....  | 658                                 |                                 |                                     |
| Salaries .....   | 8,654                               |                                 |                                     |
| Telephone and Telegraph .....                                      | 508                                 |                                 |                                     |
| General expenses .....   | 433                                 |                                 |                                     |
|  | <u>16,369</u>                       |                                 |                                     |
| Less: Expenses on abandoned claims<br>written off to deficit ..... | —                                   | (16,369)                        | —                                   |
| <b>TOTAL EXPLORATION AND<br/>DEVELOPMENT EXPENSES .....</b>        | <u><u>\$344,170</u></u>             | <u><u>\$(45,526)</u></u>        | <u><u>\$298,644</u></u>             |

**TRANSTERRE EXPLORATIONS LIMITED**  
**(No Personal Liability)**

**STATEMENT OF DEFERRED ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 1970**

|  | Total as at<br>December 31,<br>1969 | Additions<br>during the<br>year | Total as at<br>December 31,<br>1970 |
|--|-------------------------------------|---------------------------------|-------------------------------------|
| Management fees and salaries . . . . .   | 166,306                             | 24,000                          | 190,306                             |
| Geology . . . . .  | 1,750                               | —                               | 1,750                               |
| Office and administrative expenses . . .   | 1,203                               | 39                              | 1,242                               |
| Taxes . . . . .  | 1,217                               | 71                              | 1,288                               |
| Transfer agent and registrar's fees . . .  | 6,010                               | 1,007                           | 7,017                               |
| Professional fees . . . . .  | 27,279                              | 800                             | 28,079                              |
| Travelling . . . . .   | 20,702                              | 1,099                           | 21,801                              |
| Advertising and promotion . . . . .  | 12,713                              | 538                             | 13,251                              |
| Listing fees . . . . .   | 3,844                               | 105                             | 3,949                               |
| Telephone and telegrams . . . . .  | 5,565                               | —                               | 5,565                               |
| Rent . . . . .   | 7,118                               | —                               | 7,118                               |
| Stationery, printing and postage . . . .   | 5,546                               | 641                             | 6,187                               |
| General expenses . . . . .   | 4,003                               | —                               | 4,003                               |
| Bank charges . . . . .   | 532                                 | 1                               | 533                                 |
| Depreciation-furniture and fixtures . . .  | 4,671                               | 1,662                           | 6,333                               |
|  | <u>268,459</u>                      | <u>29,963</u>                   | <u>298,422</u>                      |
| <br>Less: interest, dividends and other<br>income . . . . .                          | <br><u>(97,294)</u>                 | <br><u>667</u>                  | <br><u>(96,627)</u>                 |
|  | <u>171,165</u>                      | <u>30,630</u>                   | <u>201,795</u>                      |
| <br>Less: expenses allocated to abandoned<br>claims written off to deficit . . . . . | <br><u>—</u>                        | <br><u>(155,381)</u>            | <br><u>(155,381)</u>                |
| <br><b>TOTAL ADMINISTRATIVE<br/>EXPENSES</b> . . . . .                               | <br><u>\$171,165</u>                | <br><u>(\$124,751)</u>          | <br><u>\$46,414</u>                 |





